

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0710-01
Bill No.: HB 683
Subject: Education, Higher; Banks and Financial Institutions; Boards, Commissions,
Committees, Councils
Type: Original
Date: February 27, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>All</u> State Funds	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Higher Education** assume this bill requires the CBHE to develop a policy regarding the dissemination of information regarding the responsible use of credit; allows the CBHE to adopt minimum compliance rules; requires the CBHE to receive reports on the revenue from certain credit cards, and determine institutional compliance with provisions requiring individualized credit counseling at some schools.

There would be no fiscal impact to the CBHE for developing a policy consistent with this bill. The permissive language regarding rules precludes an impact on that aspect.

There is an unknown fiscal impact associated with the compliance requirement. The CBHE does not currently engage in any such type of financial compliance monitoring with institutions of higher education. The CBHE is not aware of the overall extent of the use of university logos or names on credit cards. If there is a large amount of revenue associated with these cards then the compliance function could require additional FTE.

Oversight assumes the Department's monitoring of compliance would be limited to reviewing the institutions' reports and that the cost of reviewing the reports and associated correspondence would be minimal and could be absorbed with existing resources.

Officials from **Linn State Technical College** assume there would be no fiscal impact to their organization from this proposal.

Officials from the **University of Missouri** assume they are not able to estimate the cost of compliance with the proposed legislation as it is currently written.

Officials from **Truman State University** estimated the cost of administration for the proposed legislation at \$7,500 per year, but assume they are not able to estimate the cost of developing and presenting the mandatory credit card counseling sessions.

Oversight assumes the cost of compliance with the proposed legislation would be funded from General Revenue and is unknown since the cost of developing and presenting the mandatory credit card counseling sessions cannot be estimated by the organizations responding. In addition, the amount of credit card affiliation income required to be used to develop individualized credit counseling programs is unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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GENERAL REVENUE FUND

Cost - Universities

Seminar on responsible credit	(Unknown)	(Unknown)	(Unknown)
Credit card counseling program	(Unknown)	(Unknown)	(Unknown)

**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUND**

<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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\$0	\$0	\$0
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would require that Universities provide for students to restrict the use of their personal information included in directory listings, and in telephone and computer services. The proposal would allow the Coordinating Board for Higher Education to adopt rules establishing minimum standards for the policies to be adopted governing the solicitation and marketing of commercial and noncommercial products and services to students.

The proposal would also require Universities to disseminate information to students regarding consumer credit and merchandising. The Coordinating Board for Higher Education shall adopt policies to provide for dissemination of information to all public institutions of higher education in this state regarding the responsible use of credit by the students at such institutions.

The proposal would require every public institution of higher education in this state which receives either moneys from the distribution of credit cards to its students or any percentage of moneys from the use of credit cards bearing the college or university name or logo, to report the amount of such moneys or any percentage which it received, as well as how such moneys were expended during the previous fiscal year, to the coordinating board of higher education by the first day of October of each year. Such information shall be made available pursuant to chapter 610, RSMo; and the institution shall use at least fifty percent of the moneys received pursuant to this subsection toward individualized credit counseling programs at such school. The Coordinating Board for Higher Education shall determine compliance of a school's program with this subdivision.

DESCRIPTION - continued

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education
University of Missouri
Truman State University
Linn State Technical College

NOT RESPONDING

Central Missouri State University
Southwest Missouri State University
Lincoln University
Missouri Southern State College
Missouri Western State College
Office of the Attorney General

A handwritten signature in black ink, appearing to read "Jeanne Jarrett", with a stylized, cursive script.

Jeanne Jarrett, CPA
Director
February 27, 2001